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Consolidated Financial Results for the Nine Months Ended July 31, 2025
(Under Japanese GAAP)

September 12, 2025

Company name	H.I.S. Co., Ltd			
Listing	Tokyo Stock Exchange			
Securities code	9603			
URL	https://www.his.co.jp/			
Representative	(Title)	President and Representative Director	(Name)	Yada Motoshi
Inquiries	(Title)	Executive Officer, General Manager of Accounting and Finance Headquarters	(Name)	Hanazaki Osamu
Tel.	050-1746-4188			
Dividend payable date (as planned):	—			
Supplemental material of results:	Yes			
Convening briefing of results:	Yes (For institutional investors)			

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended July 31, 2025 (from November 1, 2024 to July 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended July 31, 2025	266,324	12.2	6,265	20.4	6,046	16.1	1,782	(50.2)
Nine months ended July 31, 2024	237,337	44.6	5,201	—	5,210	—	3,579	—

Note:	Nine months ended				Nine months ended			
Comprehensive income	July 31, 2025	(1,695)	Million yen	(—)	July 31, 2024	8,940	Million yen	(—)

	Basic earnings per share	Diluted earnings per share
Nine months ended July 31, 2025	Yen 23.86	Yen 23.79
Nine months ended July 31, 2024	47.91	45.03

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2025	394,508	61,005	12.6	664.32
As of October 31, 2024	412,200	62,343	12.6	695.47

Reference:	As of July 31, 2025	49,649 Million yen	As of October 31, 2024	51,968 Million yen
Equity capital				

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended October 31, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending October 31, 2025	—	10.00	—		
Fiscal year ending October 31, 2025 (Forecast)				10.00	20.00

Note:Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial forecast for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Entire fiscal year	390,000	13.6	12,000	10.6	11,000	5.3	6,500	(25.4)	86.97

Note:Revisions to the earnings forecasts most recently announced : Yes

For details regarding the revision of the consolidated performance forecast, please refer to the “Notice of Revision of Full Year Financial Forecast for the Fiscal Year Ending October 31, 2025”

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: None companies (Company name) None

Excluded: 6 companies (Company name)VIAJES H.I.S. MADRID, S.A., H.I.S POLAND Sp. z o.o., H.I.S. EUROPE ITALY S.R.L., VOX JAPAN Co., Ltd., DORAK HIS OTELCILIK VE TIC.A.S., NUMBER ONE TRAVEL SHIBUYA Co., Ltd

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)

② Number of treasury stock at the period end

③ Average number of shares

As of July 31, 2025	79,860,936shares	As of October 31, 2024	79,860,936shares
As of July 31, 2025	5,123,480shares	As of October 31, 2024	5,136,658shares
Nine months ended July 31, 2025	74,728,227shares	Nine months ended July 31, 2024	74,719,392shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (mandatory)

* Proper use of earnings forecasts, and other special matters

The above forecasts are based on the information available as of the date of announcement of these materials and make assumptions as of the date of announcement of these materials about uncertain factors affecting future business performance. Actual results may vary greatly depending on various factors.

1. Overview of business results

(1) Overview of business results for the quarter under review

Regarding business conditions during the first nine months ended July 31, 2025, while we must remain alert to the impact of continuing price hikes and U.S. trade policy, the economy has been in a gradual recovery trend thanks in part to improvements in employment and income environment and the beneficial effects of various government policies.

In the travel market, the number of foreign visitors to Japan continued to build momentum from a record-breaking 2024 to reach 31.63 million in the first nine months ended July 31, 2025, 120.5% of the level for the same period of the previous fiscal year. The overseas travel market has been impacted by economic factors, such as inflation, a weak yen and high fuel surcharges, as well as other factors such as international instability. Nonetheless, the number of Japanese overseas travelers has recovered at a gradual pace and reached to 10.17 million, 115.4% of the level for the same period of the previous fiscal year. (Source: Japan National Tourism Organization (JNTO))

Under these conditions, we worked to promote business with an eye toward being the preferred company of choice, full of enterprising spirit and bringing the world together under the banner of "Unleash your feeling KOKORO ODORU" (Let Your Heart Dance), the H.I.S. Group Purpose, in order to achieve sustainable growth for the whole group by expanding our wide range of businesses, primarily travel.

Segment results for the first nine months ended July 31, 2025 are as follows. Also, the amount for each segment is the amount before intersegment transactions elimination.

(Travel business)

In our overseas travel business, we have succeeded in growing reservations for Europe and the Middle East, which have been major drivers of sales growth. Hawaii and Micronesia were also robust due to the decrease of fuel surcharges from last year and the strengthening of the yen against the U.S. dollar. Travel to South Korea on the other hand, which had been leading outbound growth, stagnated due to the political situation and the impact of flight reductions, especially by budget airlines. A major promotion was "SUPER SUMMER SALE! 2025" from mid-May to the end of July, and by offering special products only available from HIS, we have been boosting reservations for summer travel and for departures further ahead, including over the New Year period. In May we also opened a new branch in Osaka dedicated to Europe, the Middle East and Africa under the concept of "design your trip", focusing on enhanced consultation by staff with expert subject knowledge and deep experience in travel abroad and sales.

In the domestic travel business, as a PR gold partner of the "Japan International Exposition 2025 (Osaka-Kansai Expo 2025) Expo 2025^o" taking place in Yumeshima, Osaka, reservations have been strong, especially for package tours featuring guaranteed entry to the high-profile Pasona Group pavilion, boosting value per transaction. Other factors pulling in customers to Okinawa, a growth destination, were new tours that include tickets to the theme park, which recently opened in the Yanbaru Forest of northern Okinawa Main Island, and enhanced post-arrival service intended to improve the experience of bus tours of the popular attractions. Moreover, the launch of "Cancellation Insurance", which refunds the entire cancellation fee for purchased travel, which we are expanding to cover not just package tours with flights but domestic travel products such as bus tours, accommodation and air tickets, has helped customers to calm their pre-departure nerves.

In the inbound travel business, we have worked to develop products with highly value-added experiences, for example tours bringing together Japan's four seasons and traditional events such as fireworks and festivals, and packages that combine a traditional Japanese dance or musical experience at the National Theatre of Japan with a Kabuki performance at the New National Theatre, Tokyo. Bus tours that offer unique Japanese experiences gained popularity as a result of efforts to stimulate demand and attract visitors through our own website and global OTAs, as well as through social media content and collaboration with local subsidiaries overseas.

In the corporate travel business, including incentive tours and study tours, continued to do well both within Japan and overseas. We worked to improve profitability by strengthening value-added services in travel packages tailored to the purpose of the trip, in addition to every type of travel planning and arrangement. With regard to government and municipal governments, we expanded agreements with municipalities on a project to create new destinations throughout Japan with SATOYUME co., ltd,

a local business incubator with which HIS formed a business and capital tie-up last year, and started promoting regional revitalization with eight local governments this fiscal year. In conjunction with Uber Japan Co., Ltd (Head Office: Minato-ku, Tokyo), we also enhanced our service for companies and corporates by securing smooth ground transportation and more efficient expense accounting for daily business and business travel, company travel and MICE by offering Uber Taxi services for business and group travel.

In the travel business overseas, against the backdrop of a recovery in demand for overseas travel from Japan, performance was driven by the inbound business in each country where we operate as a receiving business. In Europe in particular, we made progress in developing global markets, including an increase in education-related travel such as school trips and university exchange programs from Asia. In Asia, we generated more travel demand in all markets, including an increase in employee and educational travel from Japan and increased bookings from Greater China related to Chinese New Year. As a new initiative in Hawaii, HIS launched a new experiential bus tour featuring cutting-edge XR (extended reality) technology in electric buses, operated by us.

In the outbound business overseas, although the mainstay Canadian outbound business saw a strong increase in customers traveling to the Caribbean and Central and South America, the decline in demand for travel to the U.S. due to international changes had a negative impact, resulting in lower earnings than in the same period last year. On the other hand, all local subsidiaries solid progress due to the upward trends in business travel and local leisure demand.

HIS Group has 152 sales branches in Japan and 143 in 110 cities and 57 countries overseas (as of July 31, 2025).

As a result of the above, net sales for the first nine months ended July 31, 2025 were 219,158 million yen (year-on-year 112.9%), operating profit was 4,731 million yen (year-on-year 109.0%), and EBITDA was 7,753 million yen (year-on-year 104.0%).

(Hotel business)

In the hotel business, the steady recovery of the accommodation market worldwide led to year-on-year increases in both occupancy and room rates, generating good sales and profits. Hotels in Japan drove the wider hotel business as a result of collaboration with a range of companies that went viral and increased numbers of foreign tourists visiting Japan, which maintained high occupancy in popular tourist destinations. In addition, to mark "Japan International Exposition 2025 (Osaka-Kansai Expo 2025) Expo 2025", which opened in April 2025, and as an initiative to boost accommodation demand, six of our "Henn na Hotel" properties in the Kansai region, including "Henn Na Hotel Resort & Spa", rolled out a series of "collaboration rooms", including the "Myaku-Myaku Collaboration Room" featuring Myaku-Myaku, the official Expo mascot. Looking at our overseas hotels, "Henn Na Hotel Seoul", South Korea performed strongly amid stable demand from global visitors.

As a result of the above, net sales for the first nine months ended July 31, 2025 were 18,835 million yen (year-on-year 109.6%), operating profit was 2,977 million yen (year-on-year 113.7%), and EBITDA was 6,011 million yen (year-on-year 106.1%).

(Kyushu Sanko Group)

The Kyushu Sanko Group achieved increases in both revenue and profit thanks to strong performance in its main businesses: intercity buses, charter buses, airline agency, and food & beverage. The bus businesses in particular continued to see an increase in inbound demand and domestic tourist numbers, with the intercity bus passenger numbers growing 10.7% year on year and the charter bus utilization rate growing 0.8%. The airline agency business also grew both revenue and profit thanks to the acquisition of new foreign airline commissions and increased commission from aircraft arrival and departure handling. The food & beverage business also achieved significant growth in both sales and profit thanks to strong sales at Aso Kumamoto Airport and the Sakura Machi Kumamoto mall & bus terminal.

As a result of the above, net sales through the first nine months ended July 31, 2025 were 18,901 million yen (year-on-year 105.5%), operating profit was 619 million yen (year-on-year 175.8%), and EBITDA was 1,906 million yen (year-on-year 116.0%).

Based on these business results by segment, HIS Group's consolidated operating results for the first nine months ended July 31, 2025 were as follows: Net sales 266,324 million yen (year-on-year 112.2%), operating profit 6,265 million yen (year-on-year 120.4%), and ordinary profit 6,046 million yen (year-on-year 116.1%). Profit attributable to owners of parent was 1,782 million yen (year-on-year 49.8%) due to the posting of an extraordinary losses on provision for losses on business liquidation following the downsizing of our consolidated subsidiary, HIS ULUSLARARASI TURIZM SEYAHAT ACENTASI LIMITED SIRKETI.

(2) Overview of financial position during the quarter

Total assets at the end of the first nine months of the current consolidated fiscal year decreased 17,692 million yen from the end of the previous consolidated fiscal year to 394,508 million yen, mainly due to a decrease in cash and deposits (down 20,363 million yen from the end of the previous fiscal year) and accounts receivable-other (down 2,195 million yen), despite an increase in travel advance payments (up 7,052 million yen) and notes and accounts receivable - trade and contract assets (up 1,525 million yen).

Liabilities at the end of the first nine months of the current consolidated fiscal year decreased 16,353 million yen from the end of the previous consolidated fiscal year to 333,503 million yen. While the biggest factor was an increase in travel advance received (up 21,786 million yen from the end of the previous fiscal year), and decrease in current portion of convertible-bond-type bonds with share acquisition rights (down 25,000 million yen), a decrease in accounts payable-other (down 7,213 million yen) and a decrease in borrowings (down 6,898 million yen).

Net assets at the end of the first nine months of the current consolidated fiscal year decreased 1,338 million yen from the end of the previous consolidated fiscal year to 61,005 million yen, mainly due to an increase in non-controlling interests (up 1,014 million yen from the end of previous fiscal year), an increase in retained earnings (up 973 million yen), resulting from profit attributable to owners of parent, and capital surplus (up 730 million yen), while there was a decrease in the foreign currency translation adjustment (down 3,807 million yen).

(3) Review of consolidated financial forecasts and other future forecast information

The consolidated financial forecasts for the fiscal year ending October 31, 2025 that were announced on June 13, 2025 have been revised in light of the consolidated financial results for the first nine months to July 31, 2025. Please refer to the "Notice of Revision of Full Year Financial Forecast for the Fiscal Year Ending October 31, 2025" released September 12, for further details.

2. Quarterly consolidated financial statements and main notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of October 31, 2024	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	138,145	117,782
Notes and accounts receivable - trade, and contract assets	25,413	26,938
Trade accounts receivable	670	381
Securities	22	0
Travel advance payments	10,942	17,994
Prepaid expenses	2,227	2,624
Short-term loans receivable	278	165
Short-term loans receivable from subsidiaries and associates	200	80
Accounts receivable - other	18,464	16,268
Other	7,726	7,905
Allowance for doubtful accounts	(1,774)	(1,762)
Total current assets	202,316	188,379
Non-current assets		
Property, plant and equipment		
Buildings, net	73,788	74,333
Tools, furniture and fixtures, net	2,413	2,715
Land	71,304	71,251
Leased assets, net	11,383	11,645
Construction in progress	3,718	688
Other, net	1,497	1,447
Total property, plant and equipment	164,104	162,080
Intangible assets		
Goodwill	1,956	1,644
Other	13,975	13,362
Total intangible assets	15,931	15,007
Investments and other assets		
Investment securities	3,302	3,078
Shares of subsidiaries and associates	2,516	3,281
Investments in capital of subsidiaries and associates	104	103
Long-term loans receivable from subsidiaries and associates	1,068	481
Retirement benefit asset	929	925
Deferred tax assets	9,449	9,067
Guarantee deposits	9,077	8,796
Other	4,140	3,643
Allowance for doubtful accounts	(799)	(384)
Total investments and other assets	29,789	28,993
Total non-current assets	209,825	206,081
Deferred assets	58	47
Total assets	412,200	394,508

(Millions of yen)

	As of October 31, 2024	As of July 31, 2025
Liabilities		
Current liabilities		
Trade accounts payable	12,441	12,352
Short-term borrowings	9,852	8,044
Current portion of convertible-bond-type bonds with share acquisition rights	25,000	—
Current portion of long-term borrowings	67,673	99,473
Accounts payable - other	23,681	16,467
Accrued expenses	5,424	5,274
Income taxes payable	1,181	1,650
Accrued consumption taxes	907	1,100
Travel advance received	36,851	58,637
Deposits received of subsidy	8,178	1,604
Lease liabilities	2,660	2,754
Provision for bonuses	5,161	4,611
Provision for bonuses for directors (and other officers)	198	157
Provision for loss on business liquidation	—	986
Other	28,962	35,406
Total current liabilities	228,175	248,522
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	91,569	54,678
Deferred tax liabilities	3,988	3,770
Retirement benefit liability	6,080	6,121
Provision for retirement benefits for directors (and other officers)	466	489
Lease liabilities	10,109	10,198
Other	4,465	4,723
Total non-current liabilities	121,681	84,980
Total liabilities	349,857	333,503
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	27,645	28,376
Retained earnings	24,226	25,200
Treasury shares	(13,015)	(12,981)
Total shareholders' equity	38,957	40,695
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	(61)
Deferred gains or losses on hedges	72	50
Foreign currency translation adjustment	12,584	8,777
Remeasurements of defined benefit plans	345	187
Total accumulated other comprehensive income	13,011	8,954
Share acquisition rights	282	248
Non-controlling interests	10,093	11,107
Total net assets	62,343	61,005
Total liabilities and net assets	412,200	394,508

(2) Quarterly consolidated income statement and quarterly consolidated comprehensive income statement
(Quarterly consolidated income statement)

(Millions of yen)

	Nine months ended July 31, 2024	Nine months ended July 31, 2025
Net sales	237,337	266,324
Cost of sales	159,325	180,692
Gross profit	78,011	85,631
Selling, general and administrative expenses	72,810	79,366
Operating profit	5,201	6,265
Non-operating income		
Interest income	924	949
Foreign exchange gains	280	—
Subsidy income	655	938
Other	414	880
Total non-operating income	2,275	2,768
Non-operating expenses		
Interest expenses	1,772	1,493
Foreign exchange losses	—	380
Other	494	1,114
Total non-operating expenses	2,267	2,987
Ordinary profit	5,210	6,046
Extraordinary income		
Gain on sale of non-current assets	739	—
Gain on sale of shares of subsidiaries and associates	350	100
Gain on reversal of share acquisition rights	—	165
Gain on reversal of provision incurred from deposits received of subsidy	—	181
Total extraordinary income	1,089	447
Extraordinary losses		
Loss on sale of non-current assets	21	—
Impairment losses	389	161
Loss on liquidation of business	—	435
Provision for loss on business liquidation	—	1,077
Total extraordinary losses	410	1,674
Profit before income taxes	5,889	4,819
Income taxes	1,626	2,374
Profit	4,262	2,445
Profit attributable to non-controlling interests	682	662
Profit attributable to owners of parent	3,579	1,782

(Quarterly consolidated comprehensive income statement)

(Millions of yen)

	Nine months ended July 31, 2024	Nine months ended July 31, 2025
Profit	4,262	2,445
Other comprehensive income		
Valuation difference on available-for-sale securities	43	(98)
Deferred gains or losses on hedges	12	(21)
Foreign currency translation adjustment	4,659	(3,868)
Remeasurements of defined benefit plans, net of tax	(52)	(160)
Share of other comprehensive income of entities accounted for using equity method	15	7
Total other comprehensive income	4,678	(4,141)
Comprehensive income	8,940	(1,695)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,214	(2,178)
Comprehensive income attributable to non-controlling interests	726	482

(Notes to Segment Information)

[Segment information]

I. Nine months ended July 31, 2024 (from November 1, 2023 to July 31, 2024)

1. Information on the amount of sales and profits or losses for each reporting segment

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	193,216	16,862	17,908	227,988	9,348	237,337	0	237,337
Intersegment sales/transfers	973	323	13	1,309	1,302	2,612	(2,612)	—
Total	194,190	17,186	17,922	229,298	10,651	239,949	(2,611)	237,337
Segment profit (loss)	4,342	2,618	352	7,313	(85)	7,228	(2,026)	5,201

Notes 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows: Theme Park business, Non-life Insurance business and Real Estate business.

- The segment profit (loss) adjustment of -2,026 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.
- Segment profit (loss) is adjusted with the operating profit in the quarterly consolidated income statement.
- The EBITDA for each reporting segment is as follows:

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit (loss)	4,342	2,618	352	(85)	7,228
Depreciation and goodwill amortization	3,111	3,045	1,291	430	7,878
EBITDA(*)	7,453	5,664	1,643	345	15,107

(*)EBITDA reflects segment profit (loss) plus depreciation and goodwill amortization.

2. Information regarding impairment loss on non-current assets or goodwill by reporting segment
(Significant impairment loss on non-current assets)

There is no significant impairment loss.

(Significant change in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None

II. Nine months ended July 31, 2025 (from November 1, 2024 to July 31, 2025)

1. Information on the amount of sales and profits or losses for each reporting segment

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Travel business	Hotel business	Kyushu Sanko Group	Total				
Net sales								
Sales to external customers	218,292	18,448	18,888	255,629	10,694	266,324	0	266,324
Intersegment sales/transfers	865	386	12	1,264	1,914	3,179	(3,179)	—
Total	219,158	18,835	18,901	256,894	12,608	269,503	(3,178)	266,324
Segment profit	4,731	2,977	619	8,328	189	8,518	(2,253)	6,265

Notes 1. The "Other" category is a business segment that is not included in any reporting segment. It includes segments as follows: Theme Park business, Non-life Insurance business and Real Estate business.

2. The segment profit adjustment of -2,253 million yen is company-wide expenses not allocated to any reporting segment. It mainly comprises expenses related to parent company's headquarter administration that do not belong to a reporting segment.

3. Segment profit is adjusted with the operating profit in the quarterly consolidated income statement.

4. The EBITDA for each reporting segment is as follows:

(Millions of yen)

	Travel business	Hotel business	Kyushu Sanko Group	Other	Total
Segment profit	4,731	2,977	619	189	8,518
Depreciation and goodwill amortization	3,021	3,034	1,286	428	7,770
EBITDA(*)	7,753	6,011	1,906	618	16,289

(*) EBITDA reflects segment profit plus depreciation and goodwill amortization.

2. Information regarding impairment loss on non-current assets or goodwill by reporting segment
(Significant impairment loss on non-current assets)

There is no significant impairment loss.

(Significant change in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

None